

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW HAMPSHIRE**

|                         |   |                                   |
|-------------------------|---|-----------------------------------|
| -----                   | X |                                   |
| SECURITIES AND EXCHANGE | : |                                   |
| COMMISSION,             | : |                                   |
|                         | : |                                   |
| Plaintiff,              | : |                                   |
|                         | : |                                   |
| -against-               | : | Civil Action No. 1:21-cv-00260-PB |
|                         | : |                                   |
| LBRY, INC.,             | : |                                   |
|                         | : |                                   |
| Defendant.              | : |                                   |
| -----                   | X |                                   |

**DECLARATION OF JEREMY KAUFFMAN IN SUPPORT OF LBRY, INC.’S REPLY  
IN SUPPORT OF ITS MOTION TO LIMIT THE COMMISSION’S REMEDIES**

I, Jeremy Kauffman, declare as follows:

1. In my December 7, 2022 declaration, I stated, “LBRY last sold LBC in or around February 2021. LBRY has not sold any LBC since the filing of the Commission’s Complaint in this action on March 29, 2021.”

2. In making those statements, I was specifically referring to LBRY’s sales of LBC on the open market. LBRY stopped selling LBC on the open market in February 2021 because in January 2021, the Commission officially notified LBRY that it believed it was selling unregistered securities in the form of LBC.

3. LBRY sold LBC through MoonPay until November 6, 2021. Between February and November 2021, LBRY sold small value transactions of LBC through the MoonPay widget, with a median value of about \$40.00. These transactions totaled approximately \$476,800. LBRY did not think these sales were violative of Section 5, because the small size of these transactions suggested they were purely consumptive.

4. LBRY sold LBC to employees until January 2022. LBRY obtained \$1,800 (\$50.00

per employee per pay period) from its sales of LBC to employees between November 2021 and January 2022. This was a longstanding, legacy benefits program offered by LBRY that it shut down as part of its increasing efforts to comply with nonexistent Commission guidance.

5. LBRY stopped selling LBC entirely in January 2022.

6. LBRY's profit and loss statement ("LBRY's P&L"), which was Exhibit 2 to my December 7, 2022 declaration, begins on May 1, 2016 because LBRY did not have company costs and expenses prior to this date.

7. The "Other expenses" category in LBRY's P&L represents the markdown of the value of LBC to \$0.00.

8. As of December 23, 2022, LBRY has \$33,117.10 in its bank account.

9. LBRY employees received their last paychecks from the company on December 1, 2022.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 26 day of December, 2022.



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Jeremy Kauffman